

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint) Application No. C-2607
Application of 1-800-Reconex, Inc.)
of Hubbard, Oregon, seeking) GRANTED
authority to acquire Choctaw)
Communications, Inc., dba Smoke)
Signal Communications.) November 20, 2001

BY THE COMMISSION:

By application filed, September 28, 2001, 1-800-Reconex, Inc. (Reconex) of Hubbard, Oregon, seeks authority to acquire Choctaw Communications, Inc., dba Smoke Signal Communications (Choctaw). Notice of this application was published in The Daily Record, Omaha, Nebraska, on October 2, 2001. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N A N D F I N D I N G S

Description of the Parties:

Reconex is a privately-held Oregon corporation with its principal office located in Hubbard, Oregon. Reconex holds a Certificate of Public Convenience and Necessity granted by this Commission on February 18, 1998, pursuant to Application No. C-1626. Reconex is authorized to provide local telecommunications services pursuant in 46 jurisdictions.

Choctaw is a privately-held Texas Corporation with its headquarters in Houston, Texas. Choctaw holds a Certificate of Public Convenience and Necessity granted by this Commission on June 23, 2000, pursuant to Application No. C-2218. Choctaw is authorized to provide local telecommunications services in 41 jurisdictions.

Nature of the Transaction:

On August 31, 2001, Reconex and VarTec Holding Company entered into a Stock Purchase Agreement whereby Reconex would acquire all of the issued and outstanding common stock of Choctaw. VarTec Company is the current majority shareholder of Choctaw. The agreement is effective upon the receipt of all required regulatory approvals. This agreement brings together two of the original providers of prepaid local dial tone services. It is the intent of Reconex that each company will continue to operate as it has to date, subject to the terms of each company's existing tariff and certification, with Choctaw simply being a wholly-owned subsidiary of Reconex. Thus, this transaction will be transparent to Choctaw's customers.

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O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2607 be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 20th day of November, 2001.

COMMISSIONERS CONCURRING:

Nebraska Public Service Commission

Gerald L. Uy

Arthur J. Sauer
Chairman

Anne C. Boyle

ATTEST:

Red Johnson

A. S. Pollok

//s// Frank E. Landis

Executive Director